



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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CC: 5/053/057

May 11, 2000

Eugene Hodges  
P.O. Box 997  
LaVerkin, Utah 84745

Re: Deficient Exploration Notice, Permit Fee Due, Zane 1 & 2 Project, E/021/032, Iron County, Utah

Dear Mr. Hodges:

On May 3, 2000, we received a copy of your notice of intent to do exploration work from the Bureau of Land Management. The proposed project is located in Section 25, T32S, R15W and Section 25, T32S, R16W, Iron County, Utah. The BLM's designated file number for this project is UTU-78379. Due to the time that has elapsed, we are responding directly to you.

The information provided in the exploration notice, along with the additional information provided with the BLM for the Zane 1 & 2 project is considered complete; however, **payment of the appropriate permit fee is required before this notice can be considered to be in effect under the Division regulations and prior to creating surface disturbances.** The BLM has already accepted your notice. However, acceptance of a mining notice by another agency, does not constitute approval to commence operations without first meeting the requirements and receiving written acceptance from the Division of Oil, Gas and Mining. This was explained to you in the BLM letter sent to you on May 1, 2000. You need to pay the \$100.00 annual fee to the Division in order for this notice to be considered in effect. A billing statement is enclosed for your use. The annual permit fee is based on the Division's fiscal year (July 1 – June 30). The Division has determined that fees received for new applications within 45-days prior to the new fiscal year, will be applied toward the next fiscal year. Therefore, fees received after May 15<sup>th</sup>, will be applied toward the new fiscal year which begins July 1<sup>st</sup>.

No variances were requested in your notice; therefore, the Division will expect that the operator will comply fully with all the applicable "Operation and Reclamation Practices" as described in the Utah Mined Land Reclamation Rules (summary enclosed), unless a written request with sufficient justification for the variance is received and approved. A variance request is not required for those practices which apply to features which are nonexistent at the mine site. For example, a variance to the requirement of permanently sealing shafts or tunnels is not required if the project does not include shafts or tunnels.

We suggest you give special consideration to item #10 of the "Operation and Reclamation Practices." Stockpiling topsoil material prior to beginning mining operations will help ensure successful revegetation efforts upon final reclamation of the site. If the area being explored is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of

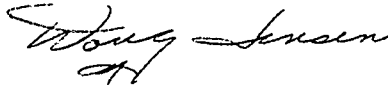
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undeveloped material is worth saving to aid in later revegetation efforts and future regulatory release from reclamation requirements.

Please reference our file number E/021/032 regarding this site. Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Do not hesitate to call me at (801) 538-5321 if you have any questions regarding this letter.

Please note: We have not received a response from you regarding the status of your Mesa Lode project (S/053/057 – BLM # UTU-784588) located in Washington County. On March 13, 2000, we sent you a small mining form and requested that you submit it along with the permit application fee. Please advise us what your plans are for that project. Please be reminded that no disturbance is allowed on your Mesa Lode Project until you have received written acceptance from this Division as well as written approval from BLM.

Sincerely,



Doug Jensen  
Reclamation Specialist

jb  
cc: Ed Ginouves, BLM, Cedar City FO (UTU-78379)  
Larry Gore, BLM, St. George FO (UTU-78488)  
File S/053/057  
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